

## TREASURER-TAX COLLECTOR/PUBLIC ADMINISTRATOR

### Dick Larsen

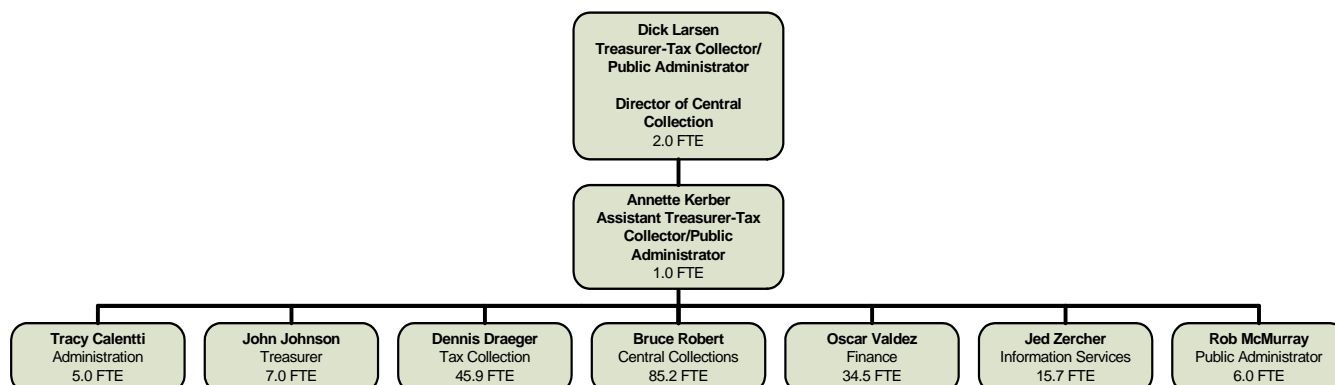
#### MISSION STATEMENT

The mission of the San Bernardino County Treasurer-Tax Collector/Public Administrator's office is to fulfill its statutory obligations in a fair, courteous and professional manner that is open and accessible to citizens, the business community, and other public agencies. This office will utilize current and evolving technology to enhance services and improve the reach of those services throughout the region. We will operate efficiently to deliver the highest quality services at the lowest possible cost to the taxpayers of San Bernardino County.

#### STRATEGIC GOALS

1. Manage the county treasury function in a safe, effective and efficient manner.
2. Collect property taxes in an effective manner with a focus on customer service.
3. Investigate and administer the estates of decedents with care and professionalism.

#### ORGANIZATIONAL CHART



#### SUMMARY OF BUDGET UNITS

| 2008-09                                      |               |            |            |              |          |
|--|---------------|------------|------------|--------------|----------|
|  | Appropriation | Revenue    | Local Cost | Fund Balance | Staffing |
| <b>General Fund</b>                          |               |            |            |              |          |
| Treasurer-Tax Collector/Public Administrator | 20,942,344    | 13,758,078 | 7,184,266  |              | 202.3    |
| Total General Fund                           | 20,942,344    | 13,758,078 | 7,184,266  |              | 202.3    |
| <b>Special Revenue Funds</b>                 |               |            |            |              |          |
| Redemption Maintenance                       | 179,486       | 7,162      |            | 172,324      | -        |
| Total Special Revenue Funds                  | 179,486       | 7,162      |            | 172,324      | -        |
| <b>Total - All Funds</b>                     | 21,121,830    | 13,765,240 | 7,184,266  | 172,324      | 202.3    |

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

## DESCRIPTION OF MAJOR SERVICES

The Treasurer-Tax Collector/Public Administrator is responsible for:

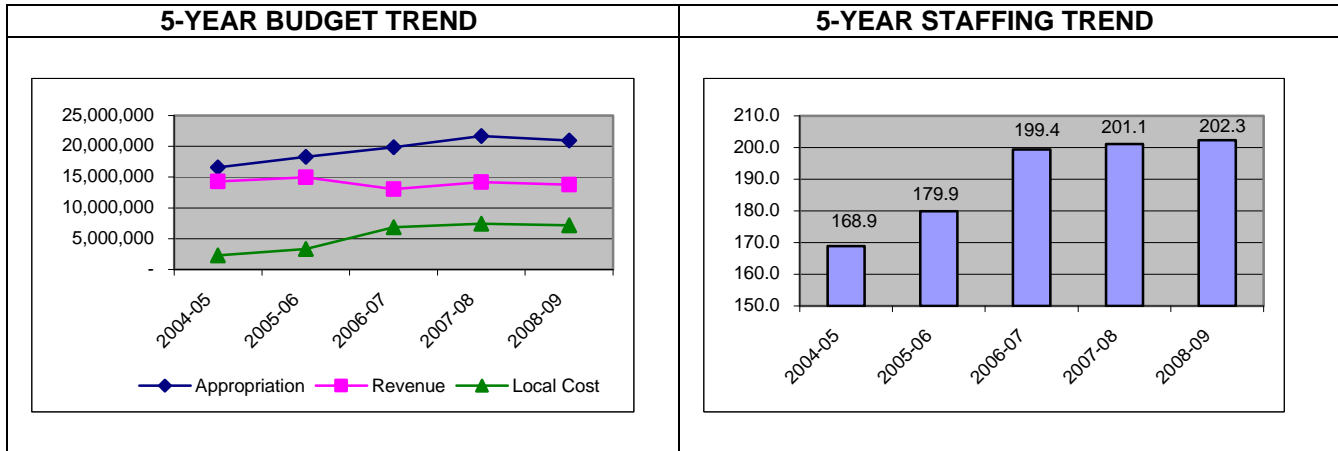
- Collection of property taxes.
- Performing the county's treasury function.
- Administering estates of persons who are deceased and no executor or administrator has been appointed.
- Providing a collection service for the county as well as to provide accounting and collections of court ordered payments.

The tax collection function involves the collection and accounting of property taxes for all county taxing entities that amounts to almost \$2.3 billion in property taxes and other fees.

The Treasurer is responsible for the investment of the county investment pool, which includes county funds and all school districts within the county, as well as providing banking services for these agencies. The Treasurer currently manages assets of almost \$4.2 billion.

The Treasurer-Tax Collector's Central Collections Division expects to collect more than \$48.0 million for the year ending June 30, 2008. The majority of these collections are from court-ordered fines and the Arrowhead Regional Medical Center's delinquent accounts receivable.

## BUDGET HISTORY



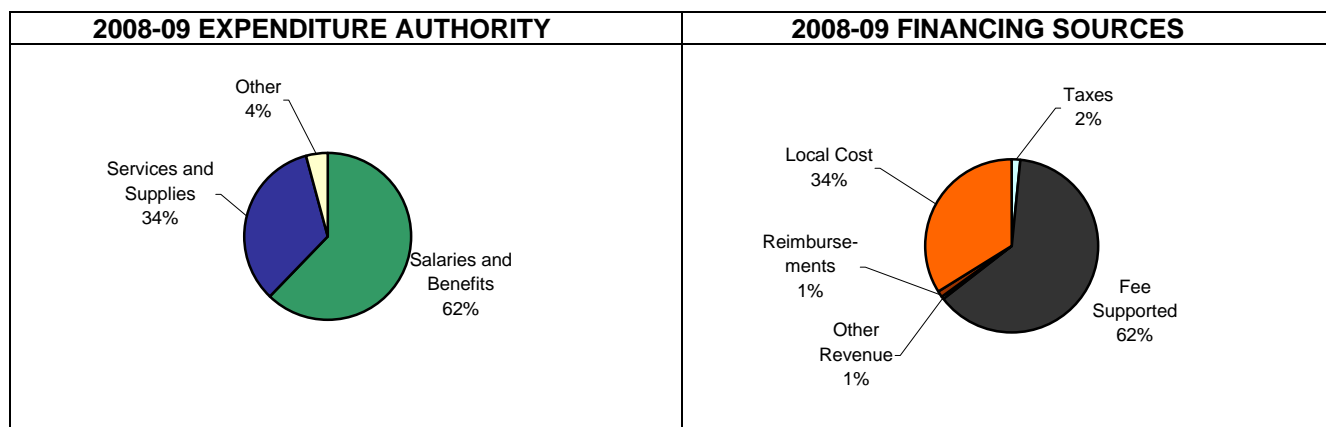
## PERFORMANCE HISTORY

|                      | 2004-05<br>Actual | 2005-06<br>Actual | 2006-07<br>Actual | 2007-08<br>Modified<br>Budget | 2007-08<br>Estimate |
|----------------------|-------------------|-------------------|-------------------|-------------------------------|---------------------|
| Appropriation        | 15,314,987        | 16,063,350        | 17,128,240        | 21,653,245                    | 19,403,862          |
| Departmental Revenue | 14,653,137        | 13,186,224        | 12,333,120        | 14,201,687                    | 12,354,962          |
| Local Cost           | 661,850           | 2,877,126         | 4,795,120         | 7,451,558                     | 7,048,900           |
| Budgeted Staffing    |                   |                   |                   | 201.1                         |                     |

Appropriation for 2007-08 reflects a savings of \$2,249,383 as compared to the modified budget. The savings are primarily the result of vacant positions due to the timing of the new misdemeanor collection service agreement between the County and the Superior Court of California. Additional savings are due to lower than expected services and supplies costs associated with other professional services.

Departmental revenue for 2007-08 of \$12,354,962 is \$1,846,725 lower than the modified budget due to a decrease in collection and accounting fees resulting from a new misdemeanor collection service agreement between the County and the Superior Court of California, a decrease in collection and accounting fees paid by the Arrowhead Regional Medical Center and other agencies as a result of lower cost reimbursements, and lower than expected number of properties being redeemed or sold at tax sale.

## ANALYSIS OF PROPOSED BUDGET



GROUP: Fiscal  
DEPARTMENT: Treasurer-Tax Collector/Public Administrator  
FUND: General

BUDGET UNIT: AAA TTC  
FUNCTION: General  
ACTIVITY: Finance

|                             | 2004-05<br>Actual | 2005-06<br>Actual | 2006-07<br>Actual | 2007-08<br>Estimate | 2007-08<br>Final<br>Budget | 2008-09<br>Proposed<br>Budget | Change<br>From<br>2007-08<br>Final<br>Budget |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|----------------------------|-------------------------------|--|
| <b>Appropriation</b>        |                   |                   |                   |                     |                            |                               |  |
| Salaries and Benefits       | 8,986,573         | 9,400,292         | 10,245,812        | 11,363,751          | 12,991,092                 | 13,160,467                    | 169,375                                      |
| Services and Supplies       | 4,623,989         | 4,512,768         | 4,799,257         | 5,091,912           | 5,738,988                  | 5,361,248                     | (377,740)                                    |
| Central Computer            | 937,397           | 1,807,203         | 1,808,616         | 2,352,452           | 2,352,452                  | 1,669,848                     | (682,604)                                    |
| Travel                      | -                 | -                 | -                 | -                   | -                          | 73,000                        | 73,000                                       |
| Equipment                   | 596,882           | 123,250           | 39,301            | 174,000             | 174,000                    | 94,000                        | (80,000)                                     |
| Transfers                   | 170,146           | 219,837           | 235,254           | 592,353             | 567,319                    | 763,267                       | 195,948                                      |
| Total Exp Authority         | 15,314,987        | 16,063,350        | 17,128,240        | 19,574,468          | 21,823,851                 | 21,121,830                    | (702,021)                                    |
| Reimbursements              | -                 | -                 | -                 | (170,606)           | (170,606)                  | (179,486)                     | (8,880)                                      |
| Total Requirements          | 15,314,987        | 16,063,350        | 17,128,240        | 19,403,862          | 21,653,245                 | 20,942,344                    | (710,901)                                    |
| <b>Departmental Revenue</b> |                   |                   |                   |                     |                            |                               |  |
| Taxes                       | 394,470           | 392,200           | 375,650           | 371,360             | 369,000                    | 365,000                       | (4,000)                                      |
| Licenses and Permits        | 490               | -                 | 158               | -                   | -                          | -                             | -  |
| Fines and Forfeitures       | 48,512            | 32,300            | 5,676             | 4,900               | 7,000                      | 5,000                         | (2,000)                                      |
| Use Of Money and Prop       | 16,985            | 10,814            | 2,313             | 605                 | 3,000                      | 700                           | (2,300)                                      |
| State, Fed or Gov't Aid     | 106,486           | 142,203           | 62,622            | 32,190              | 63,190                     | -                             | (63,190)                                     |
| Current Services            | 11,958,773        | 10,318,012        | 11,665,199        | 11,797,059          | 13,609,097                 | 13,258,078                    | (351,019)                                    |
| Other Revenue               | 2,127,421         | 2,242,441         | 201,096           | 148,848             | 150,400                    | 129,300                       | (21,100)                                     |
| Other Financing Sources     | -                 | 48,254            | 20,406            | -                   | -                          | -                             | -  |
| Total Revenue               | 14,653,137        | 13,186,224        | 12,333,120        | 12,354,962          | 14,201,687                 | 13,758,078                    | (443,609)                                    |
| Local Cost                  | 661,850           | 2,877,126         | 4,795,120         | 7,048,900           | 7,451,558                  | 7,184,266                     | (267,292)                                    |
| Budgeted Staffing           |                   |                   |                   |                     | 201.1                      | 202.3                         | 1.2  |

Salaries and benefits of \$13,160,467 fund 202.3 budgeted positions and are increasing by \$169,375 and 1.2 budgeted positions primarily from the addition of 1.0 accounting technician, \$41,000 in expected termination benefits, and the reclassification of an Office Specialist to a Supervising Office Assistant in the Tax Collector Division due to an increase in the level of supervisory responsibilities required, with the remaining staffing increase resulting from the department's lower distributed vacancy factor.

Services and supplies of \$5,361,248 include professional services, postage, and other office supplies associated with the management of the county's investment pool, property tax collections, tax sale of defaulted properties, and central collections. The decrease of \$377,740 primarily reflects a decrease in expenditures associated with the maintenance repairs of the Central Collection office as well as a shift of \$83,500 in the reporting of expenditures related to certain office expenses. These office expenses are now being reflected as payments to the Purchasing Department in accordance with the rules established by GASB34.



Travel is a new appropriation unit for 2008-09. The amount budgeted of \$73,000 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Transfers of \$763,267 represent payments to other departments for county counsel, facilities, employee relations, Employee Health and Productivity program, and employment services. The increase of \$195,948 is primarily due to the increase in County Counsel legal services and the shift of office expenses previously budgeted in the services and supplies appropriation unit.

Reimbursements of \$179,486 represent payments from the Treasurer's Redemption Maintenance Special Revenue fund for the costs associated with maintaining the redemption and tax-defaulted files, and the costs of administering and processing the claims for excess tax sale proceeds.

Departmental revenue of \$13,758,078 primarily includes revenue from current services of \$13,258,078 that represents revenues from accounting, collection, tax sale, and unsecured delinquency processing fees. The \$443,609 decrease is primarily related to collection and accounting fees paid by entities such as the Arrowhead Regional Medical Center, Courts, and other agencies as a result of lower cost reimbursements.

The Treasurer-Tax Collector/Public Administrator continues to receive general fund financing for the administration of the county's Treasury Investment Pool.

| PERFORMANCE MEASURES   |  |  |  |  |
|--|--|--|--|--|
| Description of Performance Measure   | 2006-07<br>Actual                                | 2007-08<br>Projected                             | 2007-08<br>Estimated                             | 2008-09<br>Projected                             |
| County investment pool rating.   | Moody's - Aaa,<br>S&P - AAAs, and<br>Fitch - AAA | Moody's - Aaa,<br>S&P - AAAs, and<br>Fitch - AAA | Moody's - Aaa,<br>S&P - AAAs, and<br>Fitch - AAA | Moody's - Aaa,<br>S&P - AAAs, and<br>Fitch - AAA |
| Meet or exceed the average collection rate of comparable counties for unsecured property taxes.                    | 97.1%  | 94.9%  | 94.9%  | 94.9%  |
| Percentage increase of electronic property tax payments through E-check and credit card.                           | 32%  | 10%  | 10%  | 10%  |
| Annual decrease in the average amount of time necessary to close the investigation of decedents.                   | 27%  | 3%   | 3%   | 3%   |
| Annual decrease in the average amount of time necessary to close the administration.                               | 15%  | 3%   | 3%   | 3%   |
| Increase in-person accessibility to Tax Collector Services by opening a year-round Tax Collector satellite office. | N/A  | 15   | 1  | 15   |
| Attain an average wait time of less than 5 minutes by implementing an off-site phone support service.              | ≤2 minutes                                       | ≤3 minutes                                       | ≤5 minutes                                       | ≤5 minutes                                       |